

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

April 17, 2001

IN RE:)	
)	
BELLSOUTH TELECOMMUNICATIONS, INC.)	DOCKET NO.
TARIFF TO OFFER CONTRACT SERVICE)	00-00938
ARRANGEMENT (TN99-6732-00))	

**ORDER GRANTING APPROVAL OF BELLSOUTH
CONTRACT SERVICE ARRANGEMENT (TN99-6732-00)**

This matter came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference on November 21, 2000 on the tariff filing of BellSouth Telecommunications, Inc. ("BellSouth") for approval to offer Contract Service Arrangement No. TN99-6732-00 ("CSA"). BellSouth filed Tariff No. 00-00938 on October 23, 2000, with a proposed effective date of November 22, 2000.

Based upon careful consideration of the tariff filing and the attachments thereto, the Authority made the following findings and conclusions:

1. The purpose of this CSA is to provide Frame Relay service to the customer identified in the filing. Frame Relay service utilizes a special network, separate from the public switched network, for providing customers with high-speed data transport between multiple locations.
2. The term of this CSA is thirty-six (36) months with a thirty-six (36) month renewal option. The customer must notify BellSouth of its intent to renew the contract within

sixty (60) days of the expiration of the initial thirty-six (36) month term. The CSA has language indicating that the customer and BellSouth are aware that the renewal is contingent on approval by the Authority.

3. Through this CSA, BellSouth is offering the customer a waiver of non-recurring charges on certain rate elements.

4. In its October 23, 2000 cover letter included with the CSA filing, BellSouth agreed to notify the customer¹ that upon early termination of the CSA without cause, the lesser of the following termination liability charges would apply:

- a. The amounts specified in the CSA the customer signed;²
- b. The total of the repayment of discounts received during the previous twelve (12) months of service, the repayment of the prorated amount of any waived or discounted non-recurring charges, and the repayment of the prorated amount of any documented contract preparation, implementation and tracking, or similar charges; or
- c. Six percent (6%) of the total CSA amount.

¹ BellSouth agreed during the October 24, 2000 Authority Conference that it would send the notice to the customer upon approval of the CSA by the Authority. See *Transcript of Proceedings*, p. 15 (Authority Conference October 24, 2000).

² An addendum to this CSA defines the applicable termination charges as follows:

the lesser of (A) the amount specified in Contract Service Arrangement the customer previously signed, (B) the sum of the repayment of discounts received during the previous 12 months of the service, the repayment of any waived or discounted non-recurring charges set forth in Rates and Charges page 4 of the Agreement, and the repayment of the contract preparation charge set forth in Notes page 4 of the Agreement; or (C) six percent (6%) of the total Agreement amount.

Paragraph 5 of the CSA provides: "If Subscriber cancels this Agreement prior to the completed installation of the Service, but after the execution of this Agreement by the Subscriber and Company, Subscriber shall pay all reasonable costs incurred in the implementation of this Agreement prior to receipt of the written notice of cancellation by Company." Paragraph 7(a) provides:

If Subscriber cancels this Agreement at any time prior to the expiration of the service period set forth in this Agreement, Subscriber shall be responsible for all termination charges. Unless otherwise specified by the tariff, termination charges are defined as all reasonable charges due or remaining as a result of the minimum service period agreed to by the Company and Subscriber and set forth in the Attachment(s).

5. BellSouth provided an addendum executed by the customer stating that the customer was aware of competitive alternatives available to it in Tennessee and that the customer and BellSouth have agreed on the termination provisions and that the termination charges represent a reasonable estimate of BellSouth's damages in the event of termination.

6. BellSouth supplied cost data which indicates that the price of services offered under the CSA exceed their long-run incremental costs. This data indicates that BellSouth has complied with the statutory price floor established in Tenn. Code Ann. § 65-5-208(c).

7. No parties sought to intervene in this docket.

Based upon the foregoing, the Directors unanimously determined that the CSA in this docket should be granted.

IT IS THEREFORE ORDERED THAT:

BellSouth Telecommunications, Inc.'s Tariff No. 00-00938, which seeks approval of Contract Service Arrangement No. TN99-6732-00, is hereby granted.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary